



February 25, 2005

## HOUSE BILL No. 1184

DIGEST OF HB 1184 (Updated February 23, 2005 6:15 pm - DI 96)

**Citations Affected:** IC 5-16.

**Synopsis:** Common construction wage. Requires that notice of a meeting of a committee to determine the common construction wage must be published on the Internet. Increases to \$300,000 the base amount under which a common construction wage need not be determined for 2006. Provides for inflating the base amount for each year after 2006.

**Effective:** July 1, 2005.

**Leonard**

January 6, 2005, read first time and referred to Committee on Employment and Labor.  
February 24, 2005, amended, reported — Do Pass; Roll Call 189: yeas 46, nays 39.

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HB 1184—LS 6290/DI 75+



February 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1184

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 5-16-7-1 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Any firm, individual,  
3 partnership, limited liability company, or corporation that is awarded  
4 a contract by the state, a political subdivision, or a municipal  
5 corporation for the construction of a public work, and any  
6 subcontractor of the construction, shall pay for each class of work  
7 described in subsection (c)(1) on the project a scale of wages that may  
8 not be less than the common construction wage.  
9       (b) For the purpose of ascertaining what the common construction  
10 wage is in the county, the awarding governmental agency, before  
11 advertising for the contract, shall set up a committee of five (5) persons  
12 as follows:  
13       (1) One (1) person representing labor, to be named by the  
14 president of the state federation of labor.  
15       (2) One (1) person representing industry, to be named by the  
16 awarding agency.  
17       (3) A third member to be named by the governor.

HB 1184—LS 6290/DI 75+



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(4) One (1) taxpayer who pays the tax that will be the funding source for the project and resides in the county where the project is located. The owner of the project shall make the appointment under this subdivision.

(5) One (1) taxpayer who pays the tax that will be the funding source for the project and resides in the county where the project is located. The legislative body (as defined in IC 36-1-2-9) for the county where the project is located shall make the appointment under this subdivision.

(c) As soon as appointed, the committee shall meet in the county where the project is located and determine in writing the following:

(1) A classification of the labor to be employed in the performance of the contract for the project, divided into the following three (3) classes:

(A) Skilled labor.

(B) Semiskilled labor.

(C) Unskilled labor.

(2) The wage per hour to be paid each of the classes.

The committee is not required to consider information not presented to the committee at the meeting. IC 5-14-1.5 (open door law) applies to a meeting of the committee.

**(d) Notice of the committee's meeting shall be published:**

**(1) as required by IC 5-3-1; and**

**(2) on the Internet through the computer gateway administered by the intelnet commission under IC 5-21-2.**

**The notice given under subdivision (2) must be published not later than forty-eight (48) hours before the meeting. A determination made at a meeting held in violation of this subsection is void.**

~~(d)~~ (e) The rate of wages determined under subsection (c) shall not be less than the common construction wage for each of the three (3) classes of wages described in subsection (c) that are currently being paid in the county where the project is located.

~~(e)~~ The provisions of (f) This chapter ~~shall~~ **does** not apply to contracts let by the Indiana department of transportation for the construction of highways, streets, and bridges. IC 8-23-9 applies to state highway projects.

~~(f)~~ (g) A determination under subsection (c) shall be made and filed with the awarding agency at least two (2) weeks ~~prior to~~ **before** the date fixed for the letting, and a copy of the determination shall be furnished upon request to any person desiring to bid on the contract. The schedule is open to the inspection of the public.

~~(g)~~ (h) If the committee appointed under subsection (b) fails to act

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and to file a determination under subsection (c) ~~at or before the time required under by the deadline set forth in~~ subsection ~~(f)~~ (g), the awarding agency shall make the determination, and its finding shall be final.

~~(h)~~ (i) It shall be a condition of a contract awarded under this chapter that the successful bidder and all subcontractors shall comply strictly with the determination made under this section.

~~(i)~~ The provisions of (j) This chapter ~~do~~ does not apply to public projects in this state **Indiana** that would otherwise be subject to the provisions of this chapter that are to be paid for in whole or in part with funds granted by the federal government, unless the department of the federal government making the grant ~~shall consent~~ **consents** in writing that the provisions of this chapter ~~are~~ **is** applicable to the project.

~~(j)~~ (k) Notwithstanding any other law, ~~the provisions of this chapter apply~~ **applies** to projects that will be:

- (1) owned entirely; or
  - (2) leased with an option to purchase;
- by the state or a political subdivision (as defined in IC 36-1-2-13).

~~(k)~~ (l) Notwithstanding any other law, this chapter does not apply to projects in which the actual construction costs less than **the following**:

- (1) One hundred fifty thousand dollars (\$150,000) **for contracts awarded during calendar year 2005.**
- (2) **The base amount determined under section 6 of this chapter for contracts awarded during each calendar year after 2005.**

SECTION 2. IC 5-16-7-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) As used in this section, "base amount" means the following:

- (1) For 2006, three hundred thousand dollars (\$300,000).
- (2) For each calendar year after 2006, the amount determined by the department under subsection (d).

(b) As used in this section, "department" refers to the Indiana department of administration established by IC 4-13-1-2.

(c) As used in this section, "index" refers to the "Producer Price Index — Inputs to Construction Industries" published by the United States Department of Labor, Bureau of Labor Statistics.

(d) Beginning in 2006, the department shall annually determine the base amount for the following calendar year. The base amount for the following calendar year is the number determined in STEP THREE of the following formula:

STEP ONE: Determine the quotient (rounded to the nearest

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one-thousandth (0.001)) of:

(A) the annual index for the calendar year immediately preceding the current calendar year; divided by

(B) the annual index for the fifth calendar year immediately preceding the current calendar year.

STEP TWO: Subtract one (1) from the STEP ONE result.

STEP THREE: Divide the STEP TWO result by five (5).

STEP FOUR: Add one (1) to the STEP THREE result.

STEP FIVE: Multiply the base amount for the current calendar year by the STEP FOUR result.

STEP SIX: Round the STEP FIVE result to the nearest one thousand dollars (\$1,000).

(e) The department shall publish the base amount for each calendar year after 2006 in the Indiana Register.

(f) If the department does not publish the base amount for a calendar year before January 1 of that calendar year, the base amount for that calendar year is considered to be the amount determined in STEP TWO of the following formula:

STEP ONE: Multiply the base amount for the calendar year immediately preceding the calendar year for which the base amount is to be determined by one and one-tenth (1.1).

STEP TWO: Round the STEP ONE result to the nearest one thousand dollars (\$1,000).

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred House Bill 1184, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 30, delete "five" and insert "**three**".

Page 3, line 30, delete "(\$500,000)." and insert "**(\$300,000).**".

Page 4, delete lines 4 through 5, begin a new line double block indented and insert:

**"(B) the annual index for the fifth calendar year immediately preceding the current calendar year.**

**STEP TWO: Subtract one (1) from the STEP ONE result.**

**STEP THREE: Divide the STEP TWO result by five (5).**

**STEP FOUR: Add one (1) to the STEP THREE result."**

Page 4, line 6, delete "TWO" and insert "**FIVE**".

Page 4, line 7, delete "ONE" and insert "**FOUR**".

Page 4, line 8, delete "THREE" and insert "**SIX**".

Page 4, line 8, delete "TWO" and insert "**FIVE**".

and when so amended that said bill do pass.

(Reference is to HB 1184 as introduced.)

TORR, Chair

Committee Vote: yeas 6, nays 5.

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